

ORIGINAL



0000079351

MEMORANDUM

RECEIVED

305R

TO: Docket Control

2007 DEC -4 P 3: 39

FROM: Ernest G. Johnson  
Director  
Utilities Division

AZ CORP COMMISSION  
DOCKET CONTROL

DATE: December 4, 2007

RE: **Response to Late-Filed Exhibit** – Valley Utilities Water Company, Inc.  
Docket No. W-01412A-07-0560 (Emergency Rates) and  
Docket No. W-01412A-07-0561 (Financing)

---

At the hearing on November 16, 2007, the Administrative Law Judge requested that Valley Utilities Water Company, Inc. ("Company") submit a written estimate for the replacement of the well pump cost to support the requested \$250,000 financing application. Also on November 16, 2007, the Company docketed the written estimate for the drilling of a new well at \$182,840, in which Staff testified that the cost of the well drilling portion was reasonable.

On November 30, 2007, the Company docketed its estimated well pump replacement cost of \$48,735 as a late-filed exhibit. Staff has reviewed this pump replacement cost and finds it to be reasonable.

In summary, the Company's financing request for up to \$250,000 for the drilling of a new well at \$182,840 and the well pump replacement cost of \$48,735, totaling \$231,575, is reasonable.

EGJ:MSJ:tdp

Originator: Marlin Scott, Jr.

Arizona Corporation Commission  
**DOCKETED**

DEC - 4 2007

DOCKETED BY

nr

Service List for: Valley Utilities Water Company  
Docket Nos. W-01412A-07-0560 & W-01412A-07-0561

Mr. Richard L. Sallquist, Esq.  
Sallquist, Drummond, & O'Connor, P.C.  
4500 South Lakeshore Drive, Suite 339  
Tempe, Arizona 85282

Mr. Christopher C. Kempley  
Chief, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007